

AMENDMENT NO. 7 TO THE LETTER OF UNDERSTANDING
WITH THE CITY ATTORNEY

This Amendment is entered into and effective as of January 1, 2012, amending the Letter of Understanding dated November 21, 1996 and as amended on October 22, 2009 by and between the City Council of the City of Carlsbad (hereinafter "Council") and Ronald R. Ball, City Attorney (hereinafter "City Attorney") as follows:

RECITALS

WHEREAS, the initial Agreement, dated November 21, 1996 identified with particularity the Employment Agreement between Council and City Attorney; and

WHEREAS, the parties to this Agreement desire to amend its provisions pertaining to compensation and to include those provisions now statutorily required; and

WHEREAS, those sections are amended to read as shown on Attachment "A" to this amendment.

NOW, THEREFORE, in consideration of these recitals and mutual covenants contained herein, the City Council and the City Attorney agree as follows:

1. That the Letter of Understanding dated November 21, 1996 approved by the City Council Resolution No. 96-395 and amended by Resolution No. 99-279 dated August 10, 1999, Resolution No. 200-319 dated October 17, 2000, Resolution No. 2001-83 dated March 13, 2001, Resolution No. 2002-148 dated May 21, 2002, Resolution No. 2002-246 dated August 13, 2002 and Resolution No. 2009-259 dated October 22, 2009 is further amended as shown on Attachment A.
2. Except for this amendment, all other terms and conditions of said Letter of Understanding remain unchanged and in full force and effect.

"City"

CITY OF CARLSBAD

A Municipal Corporation

"City Attorney"

RONALD R. BALL

By: Matt Hall
Mayor

R. R. Ball
Signature 3/28/12.

ATTEST:

By: J. G. Deputy
City Clerk



APPROVED AS TO FORM

By: [Signature]
City Attorney

ATTACHMENT "A"
TO AGREEMENT LETTER OF UNDERSTANDING BETWEEN
THE CITY COUNCIL AND THE CITY ATTORNEY

SECTION I – DUTIES

The City Council hereby agrees to continue the employment of Ronald R. Ball as City Attorney and to exercise the powers, duties and responsibilities set forth in Carlsbad Municipal Code Chapter 2.14 and applicable state law and such other applicable ordinances and resolutions now in effect or hereafter adopted by the City Council. The City Attorney shall comply with the provisions of Article 2.6 entitled "Abuse of Office" in Government Code section 53243 et seq.

SECTION IV – SALARY

The annual base salary of the City Attorney shall be \$252,992 as of January 1, 2012. This includes the compensation for the additional positions of General Counsel for the Housing and Redevelopment Commission and General Counsel of the Carlsbad Municipal Water District. The base compensation of the City Attorney shall be established at no less than 95% of the City Manager's base compensation by adjustments effective January 1st of each year or by such other additional amounts as determined by a resolution of the City Council. Any increase in compensation shall be further limited to no more than the annual increase in the California Consumer Price Index for Urban Wage Earners and Clerical Workers as calculated by the Department of Industrial Relations.

AMENDMENT NO 6. TO THE LETTER OF UNDERSTANDING
WITH THE CITY ATTORNEY

This Amendment is entered into and effective as of the 22nd day of October, 2009, amending the Letter of Understanding dated November 21, 1996 by and between the City Council of the City of Carlsbad, (hereinafter "Council") and Ronald R. Ball, City Attorney (hereinafter "City Attorney") as follows:

RECITALS

WHEREAS, the initial agreement, dated November 21, 1996 identified with particularity the employment agreement between Council and City Attorney; and

WHEREAS, the parties to this aforementioned agreement desire to amend its provisions pertaining to compensation.

NOW, THEREFORE, in consideration of these recitals and the mutual covenants contained herein, the City Council and the City Attorney agree as follows:

1. That the Letter of Understanding dated November 21, 1996 approved by City Council Resolution No 96-395 and as amended by Resolution No. 99-279 dated August 10, 1999, Resolution No. 2000-319 dated October 17, 2000, Resolution No. 2001-83 dated March 13, 2001, Resolution No. 2002-148 dated May 21, 2002, and Resolution No. 2002-246 dated August 13, 2002 is further amended as shown below:

SECTION IV SALARY

The annual base salary of the City Attorney shall be \$236,300 as of January 1, 2009. This includes the compensation for the General Counsel of the Housing & Redevelopment Commission of \$300 per month and the compensation for the General Counsel of the Carlsbad Municipal Water District of \$300 per month. The base compensation of the City Attorney shall be established at no less than 95% of the City Manager's base compensation by adjustments effective January 1 each year or by such other additional amounts as determined by a resolution of the City Council.

SECTION V OTHER DUTIES

The City Attorney shall also serve as the General Counsel of the Carlsbad Municipal Water District and General Counsel to the Housing & Redevelopment Commission.

2. Except for this amendment, all other terms and conditions of said Letter of Understanding remain unchanged and in full force and effect.

"City"

CITY OF CARLSBAD
A Municipal Corporation

By: _____

Paul A. Lewis
Mayor

"City Attorney"

RON BALL

Ron Ball
Signature

10.26.09.

ATTEST:

By: _____

A. J. [Signature]
City Clerk

APPROVED AS TO FORM:

By: _____

[Signature]
City Attorney



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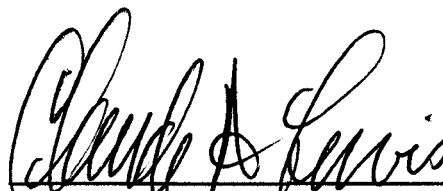
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1 PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council
2 of the City of Carlsbad on the 20th day of October, 2009, by the following vote to wit:

3 AYES: Council Members Lewis, Kulchin, Hall, Packard and Blackburn.
4

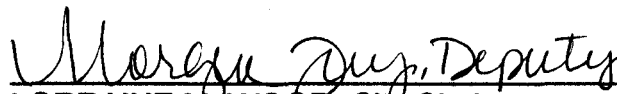
5 NOES: None.
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7 ABSENT: None.
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11 CLAUDE A LEWIS, Mayor

12 ATTEST:

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16 LORRAINE M. WOOD, City Clerk
17 (SEAL)



RESOLUTION NO. 2002-246

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD,
CALIFORNIA, AMENDING THE AGREEMENT LETTER OF UNDERSTANDING
BETWEEN THE CITY COUNCIL AND THE CITY ATTORNEY

WHEREAS, the City Council determines it is necessary and appropriate to
amend its Letter of Understanding with the City Attorney,

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of
Carlsbad, California, as follows:

1. That the above recitation is true and correct.

2. That the Letter of Understanding between the City Council and City
Attorney dated November 21, 1996 and as previously amended by Amendment No. 1 on
August 10, 1999, Amendment No. 2 on October 17, 2000, Amendment No. 3 on March
13, 2001, Amendment No. 4 on May 21, 2002 is further amended by Amendment No. 5
attached to this resolution.

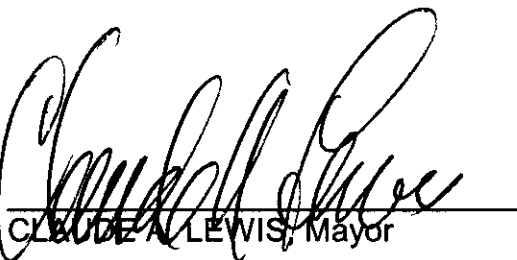
3. That the Finance Director is directed to transfer the necessary funds
from the General Fund balance to the City Attorney's budget to support the costs of this
amendment.

PASSED, APPROVED AND ADOPTED at a regular meeting of the City
Council of the City of Carlsbad held on the 13th day of AUGUST, 2002 by the
following vote, to wit:


AYES: Council Members Lewis, Kulchin, Finnila, Nygaard, Hall

NOES: None

ABSENT: None



CLAUDE A. LEWIS, Mayor



LORRAINE M. WOOD, City Clerk
(SEAL)

AMENDMENT NO. 5 TO AGREEMENT
LETTER OF UNDERSTANDING

This Amendment is entered into and effective as of the 21ST day of AUGUST, 2002, amending the Letter of Understanding dated November 21, 1996 by and between the City Council of the City of Carlsbad, (hereinafter "Council") and Ronald R. Ball, City Attorney (hereinafter "City Attorney") as follows:

RECITALS

WHEREAS, the initial agreement, dated November 21, 1996 identified with particularity the employment agreement between Council and City Attorney; and

WHEREAS, the parties to this aforementioned agreement desire to amend its provisions pertaining to compensation and professional development; and

WHEREAS, those sections are amended to read as shown on Exhibit "A" to this amendment,

NOW, THEREFORE, in consideration of these recitals and the mutual covenants contained herein, the City Council and the City Attorney agree as follows:

1. That the Letter of Understanding dated November 21, 1996 approved by City Council Resolution No. 96-395 and as amended by Resolution No. 99-279 dated August 10, 1999, Resolution No. 2000-319 dated October 17, 2000, Resolution No. 2001-83 dated March 13, 2001, and Resolution No. 2002-148 dated May 21, 2002 is further amended as shown on Exhibit "A".

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2. Except for this amendment, all other terms and conditions of said Letter of Understanding remain unchanged and in full force and effect.

DATED: 8-21-2002

CITY OF CARLSBAD,
a municipal corporation

By: _____


CLAUDE A. LEWIS, Mayor

DATED: 8-18-2002.

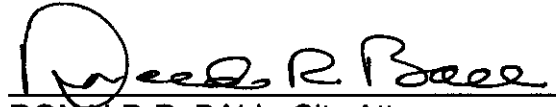

RONALD R. BALL, City Attorney

EXHIBIT "A"
TO AGREEMENT LETTER OF UNDERSTANDING
BETWEEN THE CITY COUNCIL AND THE CITY ATTORNEY

SECTION IV SALARY

The base compensation of the City Attorney shall be adjusted by the addition of 2.842% to the current bi-weekly compensation of \$5,652. This adjustment brings the bi-weekly compensation for the City Attorney to \$5,813 effective July 1, 2002, and by six percent (6%) effective January 1, 2003 for a bi-weekly compensation of \$6,161 and by six percent (6%) effective July 1, 2003 for a bi-weekly compensation of \$6,531. These compensation figures shall be further adjusted by four percent (4%) effective January 1, 2004 for a bi-weekly compensation of \$6,792, by two and one-half percent (2 ½%) effective July 1, 2004 for a bi-weekly compensation of \$6,962 and by 6.41% effective January 1, 2005 for a bi-weekly compensation of \$7,408. Thereafter, the base compensation of the City Attorney shall be established at no less than 95% of the City Manager's base compensation by adjustments effective January 1, 2006 and January 1, 2007, or by such other additional amounts as determined by a resolution of the City Council.

SECTION VII OTHER SUPPLEMENTAL BENEFITS

The City Attorney shall accrue vacation and sick leave as provided for under existing City policy.

All other actions taken by the City Council relating to fringe benefits for management employees shall be considered actions granting the same to the

City Attorney, except that the City Attorney may decline any fringe benefits to the extent permitted or authorized by law, City policy, or this agreement. As used herein, fringe benefits include but are not limited to vacation, sick leave, educational benefits as they existed on the date of the approval of this Letter of Understanding, holidays, retirement (PERS) benefits and payments, health insurance, dental insurance, long-term disability insurance, and life insurance, as set forth in the Performance Management and Compensation Plan and elsewhere.

The City shall contribute to the City Attorney's Deferred Compensation account the maximum amount permitted by law (currently \$11,000 per calendar year plus \$1,000 if 50 or over) and, if so requested by the City Attorney, the amounts permitted under the so-called "catch-up provisions" as authorized under the Internal Revenue Code section 457 provisions.

After December 31, 2001, upon the expiration of the "catch-up" provisions authorized under the Internal Revenue Code section 457(a), provisions, the City Attorney may elect to have that amount previously paid by the City paid to the deferred compensation plan under Internal Revenue Code section 401(a) or similar retirement vehicle, participate in the buy-back provisions of credit service under the PERS retirement system or as additional compensation as he may elect.

Notwithstanding any annual or lifetime cap or otherwise, in-home medical benefits shall not be reduced below those existing on June 1, 1999

except where deemed medically necessary and appropriate by Employee's doctor or upon written request by Employee.

CITY OF CARLSBAD — AGENDA BILL

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AB # <u>16,760</u> MTG. <u>5/21/02</u> DEPT. <u>HR</u>	TITLE: APPROVAL OF AMENDMENT NO. 4 TO LETTER OF UNDERSTANDING DATED NOVEMBER 21, 1996, WITH THE CITY ATTORNEY	DEPT. HD. CITY ATTY CITY MGR.
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RECOMMENDED ACTION:

Adopt Resolution No. 2002-148 approving Amendment No. 4 to Letter of Understanding with the City Attorney.

ITEM EXPLANATION:

In August 2000, the City Council adopted Resolution No. 2000-261 which transferred the health coverage for management employees to the CalPERS Health Program effective January 1, 2001. This action affected all management employees and all elected officials (City Council members, City Treasurer and City Clerk) who are participating in the CalPERS retirement system.

The attached amendment No. 4 will extend the same health coverage options to the City Attorney as those provided to other management employees of the City of Carlsbad. This coverage will take effect on June 1, 2002.

FISCAL IMPACT:

This action will have no fiscal impact.

ENVIRONMENTAL REVIEW:

This amendment is statutorily exempt from CEQA pursuant to Public Resources Code section 21080(b)(1).

EXHIBIT:

1. Resolution No. 2002-148

APPROVED

COUNCIL ACTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
CARLSBAD, CALIFORNIA, AMENDING THE AGREEMENT LETTER
OF UNDERSTANDING BETWEEN THE CITY COUNCIL AND THE
CITY ATTORNEY.

WHEREAS, the City Council determines it is necessary and appropriate to amend
its Letter of Understanding with the City Attorney.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of
Carlsbad, California, as follows:

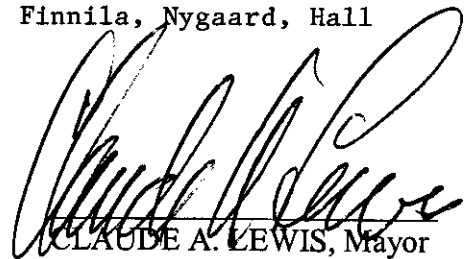
1. That the above recitation is true and correct.
2. That the Letter of Understanding between the City Council and the City Attorney
dated November 21, 1996, and as previously amended by Amendment No. 1 on
August 10, 1999, and Amendment No. 2 on October 17, 2000, and Amendment No. 3 on
March 13, 2001, is further amended by Amendment No. 4 attached to this resolution.

PASSED, APPROVED AND ADOPTED at a regular meeting of the City Council
of the City of Carlsbad held on the 21st day of MAY, 2002, by the
following vote, to wit:


AYES: Council Members Lewis, Kulchin, Finnila, Nygaard, Hall

NOES: None

ABSENT: None


CLAUDE A. LEWIS, Mayor

ATTEST:


LORRAINE M. WOOD, City Clerk
JANICE BREITENFELD, Deputy City Clerk

(SEAL)

AMENDMENT NO. 4 TO AGREEMENT
LETTER OF UNDERSTANDING

This Amendment is entered into and effective as of the 23rd day of MAY, 2002, amending the Letter of Understanding dated November 21, 1996, by and between the City Council of the City of Carlsbad, (hereinafter "Council") and Ronald R. Ball, City Attorney (hereinafter "City Attorney") as follows:

RECITALS

WHEREAS, the initial agreement, dated November 21, 1996, identified with particularity the employment agreement between Council and City Attorney; and

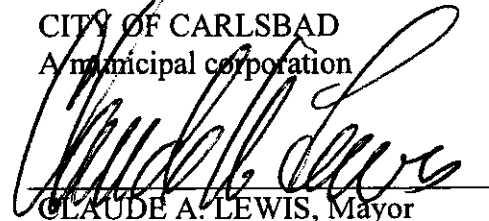
WHEREAS, the parties to this aforementioned agreement desire to amend its provisions pertaining to health insurance; and

WHEREAS, those sections are amended to read as shown on Exhibit "A" to this amendment,

NOW, THEREFORE, in consideration of these recitals and the mutual covenants contained herein, the City Council and the City Attorney agree as follows:

1. That the Letter of Understanding dated November 21, 1996, approved by City Council Resolution No. 96-395, and as amended by Resolution No. 99-279 dated August 10, 1999, and Resolution No. 2000-319 dated October 17, 2000, and Resolution No. 2001-83 dated March 13, 2001, is further amended as shown on Exhibit "A".
2. Except for this amendment, all other terms and conditions of said Letter of Understanding remain unchanged and in full force and effect.

DATED: 5/22/02

CITY OF CARLSBAD
A municipal corporation
By: 
CLAUDE A. LEWIS, Mayor

DATED: 5/23/02



RONALD R. BALL, City Attorney
6.6.2002.

EXHIBIT "A"
TO AGREEMENT LETTER OF UNDERSTANDING
BETWEEN THE CITY COUNCIL AND THE
CITY ATTORNEY

SECTION VII - OTHER SUPPLEMENTAL BENEFITS

The City Attorney shall accrue vacation and sick leave as provided for under existing City policy.

All other actions taken by the City Council relating to fringe benefits for management employees shall be considered actions granting the same to the City Attorney, except that the City Attorney may decline any fringe benefits to the extent permitted or authorized by law, City policy, or this agreement. As used herein, fringe benefits include but are not limited to vacation, sick leave, educational benefits as they existed on the date of the approval of this Letter of Understanding, holidays, retirement (PERS) benefits and payments, health insurance, dental insurance, long-term disability insurance, and life insurance, as set forth in the Performance Management and Compensation Plan and elsewhere.

The City shall contribute to the City Attorney's Deferred Compensation account the maximum amount permitted by law (currently \$8,500) and, if so requested by the City attorney, the amounts permitted under the so-called "catch-up provisions" as authorized under the Internal Revenue Code section 457 provisions.

After December 31, 2001, upon expiration of the "catch-up" provisions authorized under the Internal Revenue Code section 457(a) provisions, the City Attorney may elect to have that amount previously paid by the City paid to the deferred compensation plan under Internal Revenue Code section 401(a) or similar retirement vehicle, participate in the buy-back provisions of credit service under the PERS retirement system or as additional compensation as he may elect.

Notwithstanding any annual or lifetime cap or otherwise, in-home medical benefits shall not be reduced below those existing on June 1, 1999 except where deemed medically necessary and appropriate by Employee's doctor or upon written request by Employee.

CITY OF CARLSBAD - AGENDA BILL

(16)

AB# <u>14,113</u>	TITLE: APPROVAL OF AMENDMENT NO. 3 TO LETTER OF UNDERSTANDING DATED NOVEMBER 21, 1996, WITH THE CITY ATTORNEY	DEPT. HD. _____
MTG. <u>3-13-01</u>		CITY ATTY. <u>[Signature]</u>
DEPT. <u>MAYOR</u>		CITY MGR. <u>[Signature]</u>

RECOMMENDED ACTION:

Adopt Resolution No. 2001-83, approving Amendment No. 3 to Letter of Understanding with the City Attorney.

ITEM EXPLANATION:

The compensation provisions of the Letter of Understanding of the City Attorney were last adjusted effective January 1, 1999. This Amendment No. 3 to the Letter of Understanding would adjust the compensation of the City Attorney by 7.5% effective January 1, 2000 and 7.5% effective January 1, 2001 and replace those provisions of the City's contribution to his deferred compensation plan which expire December 31, 2001 with other compensation. This amendment to the City Attorney's Letter of Understanding also provides for future compensation adjustments of 6% effective January 1, 2002 and 6% effective January 1, 2003 or such other additional compensation adjustments as established by resolution of the City Council.

The Letter of Understanding sets forth the employment relationship between the City Council and the City Attorney and supplements his duties as set forth in Chapter 2.14 of the Carlsbad Municipal Code. It provides for annual reviews, annual goal setting defining such goals and performance objectives as may be necessary for the efficient and proper operation of the City and the attainment of the City Council's policies and objectives. The Council agrees to continue to budget appropriations to the City Attorney's office sufficient to enable it to continue to provide top quality legal services to the City.

FISCAL IMPACT:

The cost of the proposed amendments to the City Attorney's compensation will be approximately \$9,900 in calendar year 2000; \$10,600 in calendar year 2001; \$9,200 in calendar year 2002; and \$9,700 in calendar year 2003. The Finance Director is directed to appropriate the necessary funds from the General Fund balance to the City Attorney's budget to support these costs.

ENVIRONMENTAL REVIEW:

This amendment is statutorily exempt from CEQA pursuant to Public Resources Code section 21080(b)(1).

EXHIBITS:

1. Resolution No. 2001-83

APPROVED

Council Action

RONALD R. BALL
CITY ATTORNEY - CITY OF CARLSBAD
1200 CARLSBAD VILLAGE DRIVE
CARLSBAD, CALIFORNIA 92008-1989

RESOLUTION NO. 2001-83

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
CARLSBAD, CALIFORNIA, AMENDING THE AGREEMENT
LETTER OF UNDERSTANDING BETWEEN THE CITY
COUNCIL AND THE CITY ATTORNEY

WHEREAS, the City Council determines it is necessary and appropriate to
amend its Letter of Understanding with the City Attorney,

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of
Carlsbad, California, as follows:

1. That the above recitation is true and correct.
2. That the Letter of Understanding between the City Council and City
Attorney dated November 21, 1996 and as previously amended by Amendment No. 1 on
August 10, 1999, and Amendment No. 2 on October 17, 2000, is further amended by
Amendment No. 03 attached to this resolution.
3. That the Finance Directed is directed to transfer the necessary funds
from the General Fund balance to the City Attorney's budget to support the costs of this
amendment.


PASSED, APPROVED AND ADOPTED at a regular meeting of the City
Council of the City of Carlsbad held on the 13th day of March, 2001 by the
following vote, to wit:

AYES: Council Members Lewis, Finnilla, and Hall.

NOES: None

ABSENT: Council Members Kunchin and Nygaard.


CLAUDE A. LEWIS, Mayor


LORRAINE M. WOOD, City Clerk
(SEAL)

AMENDMENT NO. 03 TO AGREEMENT
LETTER OF UNDERSTANDING

This Amendment is entered into and effective as of the 19th day of March, 2001, amending the Letter of Understanding dated November 21, 1996 by and between the City Council of the City of Carlsbad, (hereinafter "Council") and Ronald R. Ball, City Attorney (hereinafter "City Attorney") as follows:

RECITALS

WHEREAS, the initial agreement, dated November 21, 1996 identified with particularity the employment agreement between Council and City Attorney; and

WHEREAS, the parties to this aforementioned agreement desire to amend its provisions pertaining to compensation and professional development; and

WHEREAS, those sections are amended to read as shown on Exhibit "A" to this amendment,

NOW, THEREFORE, in consideration of these recitals and the mutual covenants contained herein, the City Council and the City Attorney agree as follows:

1. That the Letter of Understanding dated November 21, 1996 approved by City Council Resolution No. 96-395 and as amended by Resolution No. 99-279 dated August 10, 1999 and Resolution No. 2000-319 dated October 17, 2000, is further amended as shown on Exhibit "A".

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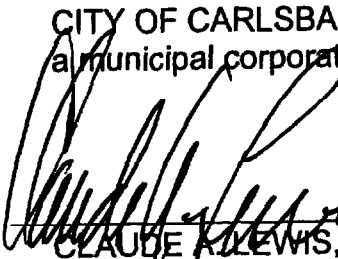
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2. Except for this amendment, all other terms and conditions of said Letter of Understanding remain unchanged and in full force and effect.

DATED: 3/16/01

CITY OF CARLSBAD,
a municipal corporation

By:

 3-16-01
CLAUDE K. LEWIS, Mayor

DATED: 3-19-2007.


RONALD R. BALL, City Attorney

EXHIBIT "A"
TO AGREEMENT LETTER OF UNDERSTANDING
BETWEEN THE CITY COUNCIL AND THE CITY ATTORNEY

SECTION IV SALARY

The base compensation of the City Attorney shall be adjusted by the addition of seven and one half percent (7.5%) to the current bi-weekly compensation of \$4,614. This adjustment brings the bi-weekly compensation for the City Attorney to \$4,960 effective January 1, 2000 and by seven and one half percent (7.5%) effective January 1, 2001 for a bi-weekly compensation of \$5,332. These compensation figures shall be further adjusted by six percent (6%) effective January 1, 2002 and by six percent (6%) effective January 1, 2003 or by such other additional amounts as determined by a resolution of the City Council.

SECTION VII OTHER SUPPLEMENTAL BENEFITS

The City Attorney shall accrue vacation and sick leave as provided for under existing City policy.

All other actions taken by the City Council relating to fringe benefits for management employees shall be considered actions granting the same to the City Attorney, except that the City Attorney may decline any fringe benefits to the extent permitted or authorized by law, City policy, or this agreement. As used herein, fringe benefits include but are not limited to vacation, sick leave, educational benefits as they existed on the date of the approval of this Letter of Understanding, holidays, retirement (PERS) benefits and payments, health insurance, dental insurance, long-term disability insurance, and life insurance, as set forth in the Performance Management and

Compensation Plan and elsewhere. The City Attorney may elect to participate in any of the medical insurance programs offered by the City.

The City shall contribute to the City Attorney's Deferred Compensation account the maximum amount permitted by law (currently \$8,500) and, if so requested by the City Attorney, the amounts permitted under the so-called "catch-up provisions" as authorized under the Internal Revenue Code section 457 provisions.

After December 31, 2001, upon the expiration of the "catch-up" provisions authorized under the Internal Revenue Code section 457(a), provisions, the City Attorney may elect to have that amount previously paid by the City paid to the deferred compensation plan under Internal Revenue Code section 401(a) or similar retirement vehicle, participate in the buy-back provisions of credit service under the PERS retirement system or as additional compensation as he may elect.

Notwithstanding any annual or lifetime cap or otherwise, in-home medical benefits shall not be reduced below those existing on June 1, 1999 except where deemed medically necessary and appropriate by Employee's doctor or upon written request by Employee.

AMENDMENT NO. 02 TO AGREEMENT
LETTER OF UNDERSTANDING

This Amendment is entered into and effective as of the 24TH day of
October, 2000, amending the agreement dated August 10, 1999 by and between the
City Council of the City of Carlsbad (hereinafter "Council") and Ronald R. Ball, the City
Attorney (hereinafter "City Attorney").

RECITALS

WHEREAS, the initial agreement, dated November 21, 1996 identified with
particularity the employment agreement between Council and City Attorney; and

WHEREAS, the parties to this aforementioned agreement desire to alter Section
VII OTHER SUPPLEMENTAL BENEFITS; and

WHEREAS, this section is amended to read as shown on Exhibit "A" to this
amendment,

NOW, THEREFORE, in consideration of these recitals and the mutual covenants
contained herein, Council and City Attorney hereby agree as follows:

1. That the Letter of Understanding dated November 21, 1996 approved by City
Council Resolution No. 96-395, which was amended on August 10, 1999 by City
Council Resolution No. 99-279, is amended as shown on Exhibit "A".

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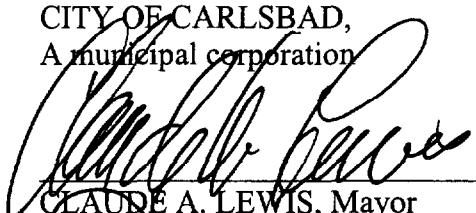
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1 2. Except for this amendment, all other terms and conditions of said Letter of
2 Understanding remain unchanged and in full force and effect.
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4 DATED: 10/24/00

CITY OF CARLSBAD,
A municipal corporation

6 By:


7 CLAUDE A. LEWIS, Mayor

8 DATED: 10.24.2000.


9 RONALD R. BALL, City Attorney
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MANAGEMENT COMPENSATION AND BENEFITS PLAN

SECTION 1: INTRODUCTION

This attachment constitutes the Management Compensation and Benefits Plan, which contains three parts: 1) an introduction, 2) a brief overview of how management performance will be evaluated and how compensation levels will be determined, and 3) a schedule of management benefits.

A. Definitions

1. Management Employees - Management employees are defined as those employees whose classifications are listed on the Management Salary Structure.
2. City Council Appointed Employees - The City Manager and City Attorney are hired by and responsible directly to the City Council. The salaries for these positions shall be set by the City Council. The City Manager and City Attorney will not be subject to the provisions of the Performance Management and Compensation program as outlined in Section 2 of this attachment. The schedule of management benefits (as outlined in Section 3 of this attachment) will apply to these positions, except as otherwise provided by the City Council.

SECTION 2: PERFORMANCE MANAGEMENT AND COMPENSATION SYSTEM OVERVIEW

The City Council has delegated its authority to the City Manager (and City Attorney, for management employees in the City Attorney's Office)¹ to administer a Performance Management and Compensation System for management employees under the following general guidelines.

The system is comprised of two major components:

- Performance Management - emphasizing an employee development approach to performance appraisal, comprised of:
 - ⇒ Alignment of individual contributions with organizational direction,
 - ⇒ Development and demonstration of competencies in the job, and
 - ⇒ Measurement of levels of accomplishment of goals

¹ Hereafter, all references to the City Manager include, with regard to management employees in the City Attorney's Office, the City Attorney.

- **Compensation** - based on a market driven approach to compensation, comprised of:
 - ⇒ Market based salary structure
 - ⇒ Base pay
 - ⇒ Incentive Pay

PERFORMANCE MANAGEMENT

The Performance Management Cycle

The Performance Management Cycle coincides with the fiscal year and includes three separate phases: Performance Planning, Performance Update, and Performance Review.

Major Components of Performance Management

The two major components upon which a management employee's performance is based are:

- the development and demonstration of specific competencies, and
- the accomplishment of goals.

Management Competencies -

All management employees are reviewed and evaluated based on how well they can develop and demonstrate specific competencies. Competencies are the knowledge, skills, abilities, and behaviors that are essential to the success of each management employee.

Goals -

Goals describe how the individual's contribution links and aligns with their department's goals and objectives and ultimately with those of the City Council. Goals are set at the beginning of the performance management cycle, and employees are evaluated at the end of the cycle as to how well they accomplished their assigned tasks for the year.

Link to Compensation

An employee's performance, as evaluated against the selected competencies, is rewarded by a base pay adjustment. Base pay adjustments are ongoing and are added to the employee's annual salary. An employee's performance, as evaluated against the achievement of annual goals, is rewarded by an incentive award. Incentive payouts are one-time cash payments to an employee which do not recur automatically from year to year. Both the base pay increases and the incentive payments comprise the cash compensation available to management employees.

COMPENSATION

The Performance Management and Compensation System is based upon a market based approach to compensation, comprised of:

- A market based salary structure
- A base pay program based on the development and demonstration of competencies
- An incentive pay program based on the measurable achievement of specific goals

Market Based Salary Structure - Base Pay Program

The Management Salary Schedule, attached hereto as Attachment A, establishes a salary grade for each management classification. The City Manager is delegated authority to place employees at any salary within the range, as determined by the appointee's knowledge, skills and abilities. The area of the salary grade between the minimum and the bottom of the market range is intended for inexperienced new hires.

The Human Resources Department will conduct an annual survey of a reasonable number of comparable agencies in San Diego County. Job content, job classification and salary information on each City of Carlsbad classification will be compared with appropriate classifications in the comparator group. The City Council delegates to the City Manager the authority to assign job classifications to a specific salary grade, based on both benchmark salary information and internal relationships within the organization. Changes to the "minimum" and "market range" of each salary grade within this structure shall be approved by the City Council.

The City Council determines the budget amount to be spent on management base pay increases for each fiscal year, and the base pay increase percentages will be determined after all of the performance ratings have been determined. All base pay increases are prospective. Management employees whose current salary is above the maximum of the market range for their assigned salary grade shall continue to be paid at that base rate until their salary falls within the market range, and until such time shall not be eligible for base pay increases.

INCENTIVE PAY PLAN

The Incentive Pay plan is provided in addition to the Base Pay plan.

All management employees are eligible for incentive pay, regardless of their position in the salary range. All management employees' salary above base pay is unfixed and uncertain until completion of the evaluation and award process annually, in which the incentive portion, if any, is determined for each management employee.

Employees earn the incentive based on their achievement of goals established during the performance management process. For each goal, achievement is rated based on one of three performance levels: Threshold, Target or Optimum.

Unlike base pay increases which are determined at the end of the performance management cycle, the potential incentive percentages will be made public at the beginning of the performance review cycle. Incentive awards are expressed as a percentage of base pay. The City Council will determine the annual amount to be budgeted for management incentive pay, and an Incentive Pay matrix will be distributed to all management employees. This matrix will change from year to year based on the City's economics, market data, and demographics. At the end of the fiscal year and upon completion of the review process, incentive awards will be granted to employees based on their level of goal accomplishment during the performance management cycle. No management employee shall be awarded incentive compensation in an amount greater than 10% of that employee's base salary.

The City Manager will periodically provide the City Council with progress reports on the operation of the Performance Management and Compensation System.

SECTION 3: SCHEDULE OF BENEFITS

Life Insurance

All management employees shall receive City paid life insurance in an amount equal to two times the basic yearly earnings. To determine benefits, the amount of insurance is rounded to the next higher \$1,000 multiple, unless the amount equals a \$1,000 multiple. Supplemental Life, at an amount equal to City paid life insurance, is available at the employee's cost. Dependent life is also available at the employee's cost.

Former CMWD management employees shall receive Group Term Life Insurance, Accidental Death and Dismemberment, and Dependent Life Insurance as contained in their *Individual Agreement*.

Retirement

All management employees shall participate in the California Public Employees' Retirement System (CalPERS). The specific retirement formula applied will be determined based on whether the position is deemed safety or miscellaneous. All positions not deemed eligible for safety retirement will be deemed miscellaneous under the CalPERS system. Optional benefits unique to the City of Carlsbad's contract with CalPERS are outlined in the Coverage Key of the CalPERS Procedures Manual. A copy of this manual is kept on file in the Human Resources Department.

Retirement Contribution

All management employees shall have their portion of the retirement contribution to the California Public Employees' Retirement System paid by the City. The specific retirement formula applied will be determined based on whether the position is deemed safety or miscellaneous. All positions not deemed eligible for safety retirement will be deemed miscellaneous under the CalPERS system.

Management Leave

Management employees, except Police Lieutenants, are exempt from overtime requirements under the Fair Labor Standards Act. Management employees in the City are paid on a salary basis versus an hourly basis. Pursuant to FLSA regulation 29 CFR Section 541.5d, the City can make deductions from salary or leave accounts for partial day absences for personal reasons or sickness because the City has a policy and practice of requiring its employees to be accountable to the public that they have earned their salaries. A partial day absence is an absence of less than the employee's regular work day. Pursuant to FLSA regulation 29 CFR Section 541.118 (a)(2) and (a)(3), the City may make salary or leave reductions based upon full day absences.

Partial day or full day absences shall be first charged against the exempt employee's vacation, sick, or executive leave account. In the event the exempt employee does not have sufficient time in his/her leave account to cover the absence, deductions without pay will be made on full days only.

- **Vacation**

All management employees shall earn vacation on the following basis:

- Beginning with the first (1st) working day through the completion of five (5) full calendar years of continuous service - 80 hours/year (3.08 hours biweekly).
- Beginning the sixth (6th) year of employment through the completion of ten (10) full calendar years of continuous service - 120 hours/year (4.62 hours biweekly).
- Beginning the eleventh (11th) year of employment through the completion of eleven (11) full calendar years of continuous service - 128 hours/year (4.92 hours biweekly).
- Beginning the twelfth (12th) year of employment through the completion of twelve (12) full calendar years of continuous service - 136 hours/year (5.23 hours biweekly).

- Beginning the thirteenth (13th) year of employment through the completion of thirteen (13) full calendar years of continuous service - 144 hours/year (5.54 hours biweekly).
- Beginning the fourteenth (14th) year of employment through the completion of fifteen (15) full calendar years of continuous service - 152 hours/year (5.84 hours biweekly).
- Beginning the sixteenth (16th) year of continuous employment, vacation time shall be accrued, and remain at a rate of 160 hours for every full calendar year of continuous employment thereafter (6.15 hours biweekly).

Management employees with comparable service in local government agencies may be granted credit for such service for the purpose of computing vacation at the discretion of the City Manager. All management employees shall be permitted to earn and accrue up to and including three hundred and twenty (320) hours of vacation, and no employee will be allowed to earn and accrue vacation hours in excess of the three hundred and twenty (320) hour maximum.* The City Manager shall be responsible for the granting of vacation to all management personnel, except in the case of the City Attorney's Office, where the City Attorney shall be responsible for granting vacation.

* If there are unusual circumstances that would require an employee to exceed the vacation accrual maximum, he/she must submit a request in writing to the Department Head and the City Manager. The Department Head and the City Manager may grant such a request if it is in the best interest of the City. Requests will be handled on a case-by-case basis and will be considered only in extreme circumstances.

Former CMWD management employees shall earn and accrue vacation up to and including the maximum as contained in their *Individual Agreement*.

- Vacation Conversion

Each December, management employees (including Police Lieutenants and Police Captains) will be allowed to voluntarily convert up to 80 hours of accrued vacation to cash, provided that they have used 80 hours of vacation during the calendar year.

- Executive Leave

All management personnel, except former CMWD management employees and the position of Police Lieutenant, shall receive 56 hours per fiscal year for executive leave. Persons employed in the position of Police Lieutenant are not eligible to receive executive leave because they receive overtime at the rate of time and one-half for actual hours worked. The 56 hours will be credited at the beginning of each fiscal year to individual leave balances. This leave must be used within the same fiscal year.

The City Manager is authorized to provide ten (10) additional hours of executive leave per year to any management employee who is required to work extended hours due to emergencies such as fires, storms, floods, or other emergencies.

- Sick Leave

Twelve (12) days of sick leave are accrued per year. Accumulation is unlimited (employees cannot receive payment for unused sick leave).

- Bereavement Leave

An employee may use up to an equivalent of three work days of paid leave if required to be absent from duty due to the death of a member of the employee's immediate family. Additional time off may be authorized by the Department Head and charged to accrued vacation or treated as leave without pay.

The "immediate family" shall be defined as: spouse, child, parent, sibling, grandparents; the aforementioned either natural, legally adopted, step or in-law, or any person over which the employee acts as legal guardian, or a verifiable current member of the immediate household.

The employee may be required to submit proof of relative's death before final approval of leave with pay is granted.

- Leave of Absence

1. Leave of Absence Without Pay

- A. General Policy

Any employee may be granted a leave of absence without pay pursuant to the recommendation of his/her Department Head and the approval of the City Manager.

A leave without pay may be granted for any of the following reasons:

1. Illness or disability.
 2. To take a course of study which will increase the employee's usefulness on return to his/her position in the City service.
 3. For personal reasons acceptable to the City Manager and Department Head.

B. Authorization Procedure

Requests for leave of absence without pay shall be made upon forms prescribed by the City Manager and shall state specifically the reason for the request, the date when the leave is desired to begin, the probable date of return, and the agreement to reimburse the City for any benefit premiums paid by the City during the leave of absence. The request shall normally be initiated by the employee, but may be initiated by his/her Department Head, and, upon written recommendation of the Department Head that it be granted, modified or denied, shall be promptly transmitted to the City Manager. A copy of any approved request for leave of absence without pay shall be delivered promptly to the Directors of Finance and Human Resources.

C. Length of Leave and Extension

A leave of absence without pay may be made for a period not to exceed six months, unless otherwise approved by the City Manager. The procedure for granting extensions shall be the same as that in granting the original leave provided that the request for extension is made no later than fourteen (14) calendar days prior to the expiration of the original leave.

D. Return From Leave

When an employee intends to return from an authorized leave of absence without pay either before or upon the expiration of such leave, he/she shall contact his/her Department Head at least fourteen (14) calendar days prior to the day he/she plans to return. The Department Head shall promptly notify the City Manager of the employee's intention. The employee shall return at a rate of pay not less than the rate at the time the leave of absence began.

E. Effect of Leave Without Pay

An employee shall utilize all his/her vacation, and/or sick leave (if applicable) prior to taking an authorized leave of absence without pay.

A prorata reduction of normal annual vacation and sick leave accruals shall be applicable to an approved absence without pay. Any absence without pay constitutes a break of continuous service with the City. The granting of any leave without pay exceeding two full scheduled pay periods shall cause the employee's salary anniversary date and calculation of full-time continuous service to

be extended by the number of calendar days for which such leave has been granted less the first two full pay periods of such leave.

An employee's accumulation of sick leave and vacation leave will cease after the completion of two (2) full scheduled pay periods in which the employee has not received compensation due to a leave of absence without pay. Accrual will be reinstituted beginning the first day of the first full pay period after the employee has returned to work.

F. Leave Without Pay - Insurance Payments and Privileges

An employee on leave without pay may continue his/her City insurance benefits by reimbursing the City for the costs of insurance on a monthly basis during the period of the leave. Failure to reimburse the City for such benefits during the term of a leave of absence will result in the employee's coverage terminating on the first day following the month in which the last payment was received.

An employee on leave of absence without pay shall not have all of the privileges granted to regular employees.

- Pregnancy Disability Leave

An employee disabled by pregnancy shall be allowed to utilize a combination of accrued sick leave and vacation time and leave without pay to take a leave for a reasonable period of time, not to exceed four months. An employee shall utilize all accrued leave prior to taking leave without pay. Reasonable period of time means that period during which the employee is disabled on account of pregnancy, childbirth, or related conditions.

An employee who plans to take a leave pursuant to this article shall give the City reasonable notice of the date the leave shall commence and the estimated duration of the leave.

- Family and Medical Leave of Absence (FMLA)

An employee may be granted a FMLA of up to 12 weeks in a 12 month period for one or more of the following reasons:

- for the birth/placement of a child for adoption or foster care,
- to care for an immediate family member with a serious health condition, or

- to take medical leave when the employee is unable to work because of a serious condition.

FMLA may be paid or unpaid and may be granted concurrently and in conjunction with other leave and benefit provisions. Specific details regarding the provisions of this leave are available by contacting the Human Resources Department.

- Military Leave

Military leave shall be authorized in accordance with the provisions of State and Federal law. The employee must furnish satisfactory proof to his/her Department Head, as far in advance as possible, that he/she must report to military duty.

- Jury Duty

When called to jury duty, an employee, having provided at least five working days written notice, shall be entitled to his/her regular compensation. Employees released early from jury duty shall report to their supervisor for assignment for the duration of the shift. Employees shall be entitled to keep mileage reimbursement paid while on jury duty.

A Department Head may, at his/her sole discretion, contact the court and request an exemption and/or postponement of jury service on behalf of an employee.

Employees released early from jury duty shall report to their supervisor for assignment for the duration of the work day. At the discretion of the supervisor, an employee may be released from reporting back to work if an unreasonable amount of the work day remains in light of travel time to the job site after release.

Health Insurance for Retirees

Effective January 1, 2001, management employees will be covered by the Public Employees' Medical and Hospital Care Act and will be eligible to participate in the California Public Employees' Retirement System (CalPERS) Health Program. Management employees who retire from the City, either service or disability, shall be eligible to continue their enrollment in the CalPERS Health Program when they retire, provided that the individual is enrolled at the time of separation from employment **and** their effective date of retirement is within 120 days of separation. The City will contribute up to a maximum of sixteen dollars (\$16.00) per month toward the cost of each retiree's enrollment in the CalPERS Health Program. Direct authorization may be established for automatic deduction of payments for health insurance administered by CalPERS.

Employees who retire from the City, either service or disability, shall be eligible to continue to participate in the City's dental and/or vision insurance programs. The cost of such dental and/or

vision insurance for the employee and eligible dependents shall be borne solely by the employee. The City shall not charge the COBRA administrative cost to the retirees.

In order to qualify for this benefit, the retiree must have a minimum of five (5) years of City service and be a minimum of fifty (50) years old.

The retiree must make arrangements with the City to prepay his/her monthly premiums for dental and/or vision insurance and must keep such payments current to ensure continued coverage.

A retiree who does not choose continued coverage upon retirement is not eligible to return to the CalPERS health insurance program or the City's dental or vision insurance programs.

Sick Leave Conversion

Any management employee who has accrued and maintains a minimum of one hundred (100) hours of sick leave shall be permitted to convert up to twelve (12) days of sick leave and uncompensated sick leave to vacation at a ratio of three (3) sick leave days per one (1) day of vacation. The sick leave conversion option will be provided during the first week of each fiscal year. Conversion can only be made in increments of full day vacation days. Employees will not be allowed to convert sick leave to vacation if such conversion would put them over the vacation accrual maximum of three hundred and twenty (320) hours.

Former CMWD management employees per their *Individual Agreement*, have the option to sell back 100% of accumulated sick leave in excess of 250 hours at their current rate. The City, at its discretion, may purchase any accumulated sick leave from any of these referenced management employees at the current rate.

Separation Compensation

All management employees involuntarily separated from the City service due to budget cutbacks, layoffs, contracting out of service or for other reasons not due to misconduct which would justify involuntary separation shall receive one month's salary computed at the employee's actual salary at the time of separation.

Holidays

All management employees, except for employees represented by the Carlsbad Police Management Association, shall be paid holidays in accordance with the schedule of eleven (11) holidays and one (1) floating holiday, as established by the City Council. The floating holiday may be used at the discretion of the employee with prior approval of the Department Head.

The scheduled paid holidays that will be official City holidays for 2000 shall be as follows:

New Year's Day	Columbus Day
Lincoln's Birthday	Veteran's Day
Washington's Birthday	Thanksgiving Day

Memorial Day
Independence Day
Labor Day

Thanksgiving Friday
Christmas Day
MLK (Floating Holiday)

The scheduled paid holidays that will be official City holidays for 2001 and beyond shall be as follows:

New Year's Day
Martin Luther King's Birthday
Presidents' Day
Memorial Day
Independence Day
Labor Day

Columbus Day
Veteran's Day
Thanksgiving Day
Thanksgiving Friday
Christmas Day
One (1) Floating Holiday

All employees represented by the Carlsbad Police Management Association (CPMA) shall be paid for the same holidays that employees represented by the Carlsbad Police Officers' Association (CPOA) are paid. Police Lieutenants shall receive holiday pay at the rate of time and one-half for each of the scheduled. The Lieutenant in charge of the police investigations division shall receive time and one-half only for holidays actually worked.

Health Benefits

Management employees will participate in a flexible benefits program which includes medical insurance, dental insurance, vision insurance and flexible spending accounts (FSAs). Each of these components is outlined below.

Medical Insurance

Effective January 1, 2001, management employees will be covered by the Public Employees' Medical and Hospital Care Act and will be eligible to participate in the California Public Employees' Retirement System (CalPERS) Health Program. Under the CalPERS Health Program, the City will contribute up to a maximum of sixteen dollars (\$16.00) per month toward the cost of each employee's health insurance. If electing to enroll for medical benefits, the employee must select one medical plan from the variety of medical plans offered.

Effective January 1, 2001, the City will contribute the following monthly amounts (called "Benefits Credits") on behalf of each active management employee and eligible dependents toward the payment of 1) medical premiums under the CalPERS Health Program, 2) contributions in the name of the employee to the City's flexible spending account(s), 3) contributions of some or all of the premium for dental coverage or vision coverage:

- (a) For employees with "employee only" coverage, the City shall contribute two hundred sixty-two dollars (\$262) per month. If the actual total premiums exceed the aggregate of sixteen dollars (\$16) and two hundred sixty two dollars (\$262), the employee will pay the difference.

- (b) For employees with “employee plus one dependent” coverage, the City shall contribute five hundred twelve dollars (\$512) per month. If the actual total premiums exceed the aggregate of sixteen dollars (\$16) and five hundred twelve dollars (\$512), the employee will pay the difference.
- (c) For employees with “employee plus two or more dependents” coverage, the City shall contribute six hundred seventy-nine dollars (\$679) per month. If the actual total premiums exceed the aggregate of sixteen dollars (\$16) and six hundred seventy-nine dollars (\$679), the employee will pay the difference.

Under no circumstances will any unused Benefits Credits as outlined above be paid to the employee in cash. If the amount contributed by the City (Benefits Credits) exceeds the cost of the medical and dental insurance purchased by the employee, the employee will have the option of using any “excess credits” to purchase vision insurance or to contribute to a healthcare or dependent care flexible spending account (FSA).

Dental Insurance

Management employees will be eligible to enroll in a City-sponsored dental plan. Should an employee elect to enroll for medical benefits, he/she must also enroll in dental coverage at the same coverage level (employee only, employee plus one dependent, employee plus two or more dependents) as medical insurance.

Vision Insurance

Management employees will be eligible to enroll in a City-sponsored vision insurance plan. Employees may elect to purchase vision insurance or to opt out of the vision insurance program. If the decision is made to purchase vision insurance, a management employee may purchase vision insurance at any level of coverage (employee only, employee plus one dependent, employee plus two or more dependents).

Opt Out Provision

Management employees who do not wish to participate in the CalPERS Health Program will have the choice of opting out of the City’s medical insurance program, provided they can show that they are covered under another insurance program. Employees who elect this option will be given a reduced City contribution amount (Benefits Credits) of one hundred fifty dollars (\$150) per month to be used toward the purchase of dental insurance, vision insurance, or as a contribution to a flexible spending account. The City contribution amount of one hundred fifty dollars (\$150) per month will be granted to any employee who elects to opt out of the CalPERS Health Program, regardless of the employee’s level of coverage (employee only, employee plus one dependent, employee plus two or more dependents). Under no circumstances will any unused Benefits Credits as outlined above be paid to the employee in cash.

Former CMWD management employees shall receive Medical, Dental and Vision, and Retiree Medical as contained in their *Individual Agreement*.

Annual Physical Examination and/or Physical Fitness Testing

All management employees, excluding former CMWD management employees, shall be eligible for reimbursement of up to the amount of four hundred fifty dollars (\$450) during each fiscal year to pay the cost of an employee's annual physical examination and/or physical fitness testing.

The annual physical examination may be completed by a physician of the employee's choice. Each employee claiming reimbursement shall be required to submit original receipts to the Human Resources Department in lieu of submitting them to the insurance company for payment.

The annual physical examination offered to management employees provides physical fitness testing and information regarding lifestyle changes that promote optimum health. Program components include, but are not limited to: Computerized Heart Risk Profile, Complete Blood Profile, Nutritional Assessment, Diet Program, Body Measurements, Lung Assessment, Consultations, etc.

Long-Term Disability Insurance (LTD)

Long-term disability is available for all management personnel after 30 days of disability. The LTD premium cost is paid by the City.

Former CMWD management employees shall receive LTD benefits as contained in their *Individual Agreement*.

Accidental Death and Dismemberment

This is a voluntary program available to any employee who chooses to participate. Employees may select among various levels of coverage which cover accidents and death. The City will pay one-third (1/3) of the cost, the employee pays two-thirds (2/3) and 100% of dependent coverage.

Deferred Compensation

The City shall provide deferred compensation plan(s) which may be utilized by any management employee. The City reserves the right to accept or reject any particular plan and to impose specific conditions upon the use of any plan.

Former CMWD management employees may voluntarily participate in the Deferred Compensation Plan as contained in their *Individual Agreement*. The City matches former CMWD employee contributions up to a maximum of 7.5% of the employee's earnings.

Drug and Alcohol Policy

It is the policy of the City of Carlsbad to provide a work environment free from the effects of drugs and alcohol consistent with the directives of the Drug Free Workplace Act. This policy is applicable to all employees covered by the Management Compensation and Benefits Plan. A copy of this policy is available in the Human Resources Department.

As a provision of this policy, the City provides a voluntary Employee Assistance Program (EAP) to assist employees who seek help for substance abuse or other personal problems affecting work or family life. This program is available to employees and their family members and offers 24-hour access to confidential professional EAP assistance for emergency or urgent situations. The toll free number is 800 999-7222. For more specific information, contact the Human Resources Department.

CITY OF CARLSBAD - AGENDA BILL

35/45 (3)

AB# <u>15,343</u> MTG. <u>8-10-99</u> DEPT. <u>MAYOR</u>	TITLE: APPROVAL OF AMENDMENT NO. 01 TO LETTER OF UNDERSTANDING DATED NOVEMBER 21, 1996 WITH THE CITY ATTORNEY	DEPT. HD. _____ CITY ATTY. <u>[Signature]</u> CITY MGR. <u>[Signature]</u>
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RECOMMENDED ACTION:

Adopt Resolution No. 99-279 approving Amendment No. 01 to Letter of Understanding with the City Attorney.

ITEM EXPLANATION:

The compensation provisions of the Letter of Understanding of the City Attorney were last adjusted effective January 1, 1998. This Amendment No. 01 to the Letter of Understanding would adjust the compensation of the City Attorney by four percent (4%) effective January 1, 1999 and provide for contribution to his deferred compensation plan. The Letter of Understanding sets forth the employment relationship between the City Council and the City Attorney and supplements his duties as set forth in Chapter 2.14 of the Carlsbad Municipal Code. It provides for annual reviews, annual goal setting defining such goals and performance objectives for the necessary and proper operation of the City and the attainment of the City Council's policy objectives. The Council agrees to continue to budget appropriations to the City Attorney's office sufficient to enable it to continue to provide top quality legal services to the City.

FISCAL IMPACT:

The cost of the proposed amendments to the City Attorney's compensation will be approximately \$22,000 per year, plus an additional \$12,000 in one time costs related to commencing the contract on January 1, 1999. A total of \$34,000 will be appropriated from the general fund balance to the City Attorney's budget to support these costs. The additional cost of the in-home care provision in the proposed amendment to the letter of understanding is difficult to determine at this time. The City is considering a change in insurance providers and a modification to the benefits package. If these changes involve a reduction in the insured's level of in-home care, the City may be obligated to cover all or a portion of these costs directly from the general fund. A future appropriation of funds may be necessary if such an expenditure is necessary.

EXHIBITS:

1. Resolution No. 99-279

APPROVED

Council Action

RONALD R. BALL
CITY ATTORNEY - CITY OF CARLSBAD
1200 CARLSBAD VILLAGE DRIVE
CARLSBAD, CALIFORNIA 92008-1989

RESOLUTION NO. 99-279

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
CARLSBAD, CALIFORNIA, AMENDING THE AGREEMENT
LETTER OF UNDERSTANDING BETWEEN THE CITY
COUNCIL AND THE CITY ATTORNEY

WHEREAS, the City Council determines it is necessary and appropriate to
amend its contract with the City Attorney by amending Sections IV Salary, VI Vehicle
Allowance or Provision of Vehicle, VII Other Supplemental Benefits, VIII Annual Review
and XII Notices,

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of
Carlsbad, California, as follows:

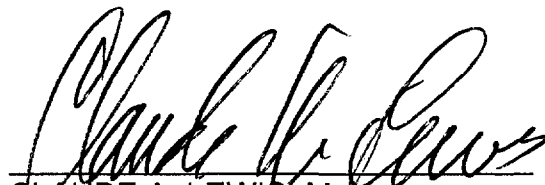
1. That the above recitation is true and correct.
2. That the letter of understanding between the City Council and City
Attorney dated November 21, 1996 is amended as forth in "Amendment No. 01 to
Agreement Letter of Understanding" attached to this resolution.
3. That the amount of \$34,000 is hereby appropriated from the general
fund balance to the City Attorney's budget to support the costs of the amendment.


PASSED, APPROVED AND ADOPTED at a regular meeting of the City
Council of the City of Carlsbad held on the 10 day of August,
1999 by the following vote, to wit:

AYES: Council Members Lewis, Nygaard, Finnilla, Hall & Kulchin

NOES: None

ABSENT: None


CLAUDE A. LEWIS, Mayor


ALETHA L. RAUTENKRANZ, City Clerk
(SEAL) KAREN R. KUNTZ, Assistant City Clerk

AMENDMENT NO. 01 TO AGREEMENT
LETTER OF UNDERSTANDING

This Amendment is entered into and effective as of the 10th day of August, 1999, amending the agreement dated November 21, 1996 by and between the City Council of the City of Carlsbad (hereinafter "Council") and Ronald R. Ball, the City Attorney (hereinafter "City Attorney").

RECITALS

WHEREAS, the initial agreement, dated November 21, 1996 identified with particularity the employment agreement between Council and City Attorney; and

WHEREAS, the parties to this aforementioned agreement desire to alter Sections IV SALARY, VI VEHICLE ALLOWANCE OR PROVISION OF VEHICLE, VII OTHER SUPPLEMENTAL BENEFITS, VIII ANNUAL REVIEW, and XII NOTICES; and

WHEREAS, those sections are amended to read as shown on Exhibit "A" to this amendment,

NOW, THEREFORE, in consideration of these recitals and the mutual covenants contained herein, Council and City Attorney hereby agree as follows:

1. That the Letter of Memorandum dated November 21, 1996 approved by City Council Resolution No. 96-395 is amended as shown on Exhibit "A".

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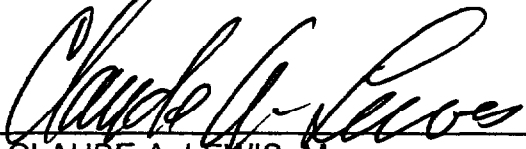
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2. Except for this amendment, all other terms and conditions of said

Letter of Understanding remain unchanged and in full force and effect.

DATED: 8/13/99

CITY OF CARLSBAD,
a municipal corporation

By: 
CLAUDE A. LEWIS, Mayor

DATED: 8-12-99.


RONALD R. BALL, City Attorney

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EXHIBIT "A"

TO AMENDMENT NO. 01 TO

AGREEMENT LETTER OF UNDERSTANDING

BETWEEN THE CITY COUNCIL AND THE CITY ATTORNEY

SECTION IV SALARY

The base compensation of the City Attorney shall be adjusted by the addition of four percent (4%) to the current bi-weekly compensation of \$4,436. This adjustment brings the bi-weekly compensation for the City Attorney to \$4,614. effective January 1, 1999. After January 1, 1999 compensation of the City Attorney may be adjusted from time to time during the term of this Letter of Understanding by resolution of the City Council.

SECTION VI VEHICLE ALLOWANCE OR PROVISION OF VEHICLE

The City Attorney's functions and duties require him to have use of an automobile during his employment with the City. The City shall reimburse the City Attorney the monthly sum of \$350 for the expense of owning, operating, maintaining, and insuring his personal automobile effective January 1, 1999.

In lieu of a vehicle allowance, the City Attorney may cause the City to lease on behalf of Employee a standard size vehicle on general terms and conditions commercially available. In this case, the City shall be responsible for all lease payments, insurance, if applicable, maintenance and operational costs except that Employee shall be responsible for maintenance when out of town for overnight or longer non-City purposes. If Employee uses the vehicle for non-City purposes during

1 the term of this agreement, Employee shall reimburse the City for the cost of related
2 insurance coverage in the amount of \$350 annually, payable on January 2 each year.

3 **SECTION VII OTHER SUPPLEMENTAL BENEFITS**

4 The City Attorney shall accrue vacation leave and sick leave as provided
5 for under existing City policy.

6 All other actions taken by the City Council relating to fringe benefits for
7 management employees shall be considered actions granting the same to the City
8 Attorney. As used herein, fringe benefits include but are not limited to vacation, sick
9 leave, educational benefits as they existed on the date of the approval of this contract,
10 holidays, retirement (PERS), benefits and payments, health insurance, dental
11 insurance, long-term disability insurance, and life insurance.

12 The City shall contribute to the City Attorney's Deferred Compensation
13 account the maximum amount permitted by law (currently \$8,000) and, if so requested
14 by the City Attorney, the amounts permitted under the so-called "catch-up provisions"
15 as authorized under the Internal Revenue Code section 457 provisions.

16 Notwithstanding any annual or lifetime cap or otherwise, in-home medical
17 benefits shall not be reduced below those existing on June 1, 1999 except where
18 deemed medically necessary and appropriate by Employee's doctor or upon written
19 request by Employee.

20 **SECTION VIII ANNUAL REVIEW**

21 The City Council shall review and evaluate the performance of the City
22 Attorney in July of each year. This review and evaluation shall be accordance with the
23 criteria developed jointly by the City Council and the City Attorney. The Mayor shall
24 provide the City Attorney with a summary written statement of the Findings of the City
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1 Council and provide an adequate opportunity for the City Attorney to discuss his
2 evaluation with the City Council.

3 **SECTION XII NOTICES**

4 Notices pursuant to this Agreement shall be given by deposit in the
5 custody of the United States Postal Service, postage prepaid, addressed as follows or
6 as such address may be changed from time to time upon written notice to the other:

7 **CITY:**

8 Mayor
9 City of Carlsbad
10 City Hall
11 1200 Carlsbad Village Drive
12 Carlsbad, CA 92008

13 **CITY ATTORNEY:**

14 Ronald R. Ball
15 221 La Barranta Drive
16 Solana Beach, CA 92075
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CITY OF CARLSBAD - AGENDA BILL

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AB# <u>13,914</u> MTG. <u>11-19-96</u> DEPT. <u>MAYOR</u>	TITLE: APPROVAL OF LETTER OF UNDERSTANDING WITH THE CITY ATTORNEY	DEPT. HD. _____ CITY ATTY. <u>[Signature]</u> CITY MGR. <u>[Signature]</u>
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RECOMMENDED ACTION:

Adopt Resolution No. 96-395 approving the Letter of Understanding with the City Attorney.

ITEM EXPLANATION:

The City Council is establishing a Letter of Understanding for the City Attorney. This Letter of Understanding would review and update that action and provide a supplement to the duties of the City Attorney set forth in the Municipal Code. The Letter of Understanding sets forth the employment relationship between the City Council and the City Attorney and establishes his compensation through January 1, 1998, after which time it may be adjusted by resolution of the City Council. The Letter of Understanding also establishes the compensation of the City Attorney as the General Counsel of the Redevelopment Commission and General Counsel of the Carlsbad Municipal Water District. It also provides for a vehicle or a vehicle allowance. It also provides for annual reviews. It reconfirms the Council's continued support and encouragement of continuing development and professionalism of the City organization and its employees. The City Council agrees to continue budget appropriations to the City Attorney's office sufficient to enable it to continue to provide top quality legal services to the City.

FISCAL IMPACT:

The City Attorney's compensation adjusted two percent (2%) effective January 1, 1996, three percent (3%) on January 1, 1997 and three percent (3%) on January 1, 1998. A one-time lump sum cash payment of two percent (2%) is also provided. Compensation as General Counsel of the Redevelopment Commission is increased from \$100 to \$300 per month and compensation for General Counsel of the Carlsbad Municipal Water District is established at \$300 per month. There is an increase in the auto allowance from the existing \$225 per month to \$325 per month. There are sufficient funds in the Council's contingency fund to pay for these adjustments.

EXHIBITS:

1. Resolution No. 96-395, (Exhibit "A" attached to Resolution).

APPROVED

Council Action

RONALD R. BALL
CITY ATTORNEY - CITY OF CARLSBAD
1200 CARLSBAD VILLAGE DRIVE
CARLSBAD, CALIFORNIA 92008-1989

RESOLUTION NO. 96-395

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
CARLSBAD, CALIFORNIA APPROVING THE LETTER OF
UNDERSTANDING FOR THE CITY ATTORNEY.

WHEREAS, the City Council desires to continue the services of Ronald R.
Ball as City Attorney, and

WHEREAS, those functions, duties, obligations, benefits and compensation
are accurately set forth in the Letter of Understanding attached hereto as Exhibit "A".

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of
Carlsbad, California, as follows:

1. That the above recitations are true and correct.
2. That the City Attorney's Letter of Understanding set forth as Exhibit "A"
is approved.
3. That funds sufficient to pay for the adjustments in compensation are
transferred from the Council's general fund contingency account and the Financial
Management Director is authorized to make such changes.

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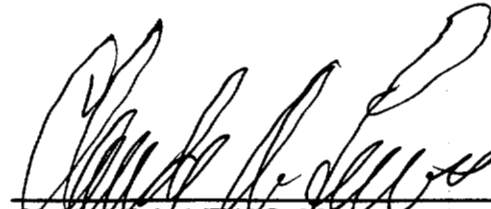
RONALD R. BALL
CITY ATTORNEY - CITY OF CARLSBAD
1200 CARLSBAD VILLAGE DRIVE
CARLSBAD, CALIFORNIA 92008-1989

1 PASSED, APPROVED AND ADOPTED at a Regular Meeting of the
2 Carlsbad City Council held on 19th day of NOVEMBER 1996 by the following vote, to wit:

3 AYES: Council Members Lewis, Nygaard, Kulchin, Finnila, Hall

4 NOES: None

5 ABSENT: None

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CLAUDE A. LEWIS, Mayor

9 ATTEST:

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11 ALETHA L. RAUTENKRANZ, City Clerk
12 KAREN R. KUNTZ, Assistant City Clerk
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LETTER OF UNDERSTANDING

This Letter of Understanding is made and entered into this 21st day of NOVEMBER, 1996, by and between the City of Carlsbad, a municipal corporation of the State of California ("City"), and Ronald R. Ball (sometimes hereinafter referred to as "Employee"), both of whom understand as follows:

RECITALS

WHEREAS, Chapter 2.14 of the Carlsbad Municipal Code provides for the Office of the City Attorney who shall be appointed and retained by the City Council wholly on the basis of his or her administrative and executive ability and qualifications and shall hold that office for and during the pleasure of the City Council, and

WHEREAS, the Council desires to continue the employment of Ronald R. Ball as City Attorney, and

WHEREAS, it is the desire of the parties hereto to provide a supplement to those functions and duties set forth in Chapter 2.14 of the Carlsbad Municipal Code and such other benefits as set forth in the Management Compensation and Benefits Plan Council Policy No. 36 or its successor policy, and to provide that the City Attorney remain in such employment; to make possible full work productivity by assuring his morale and peace of mind with respect to future security; to act as a deterrent against malfeasance or dishonesty for personal gain on his part; and to provide for

terminating his services at such time as he may be unable to fully discharge his duties or when the City Council may otherwise desire to terminate his employment.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties agree as follows:

SECTION I DUTIES

The City Council hereby agrees to continue the employment of Ronald R. Ball as City Attorney and to exercise the powers, duties and responsibilities set forth in Carlsbad Municipal Code Chapter 2.14 and applicable state law and such other applicable ordinances and resolutions now in effect or hereafter adopted by the City Council.

SECTION II TERM

Ronald R. Ball was appointed City Attorney on July 9, 1992 and shall continue in that capacity and shall continue to fulfill the powers, functions and duties of City Attorney and shall serve in that capacity until such time as this Letter of Understanding is terminated pursuant to Section III below.

The term of this Letter of Understanding shall commence on the date approved by the City Council for an initial two year period and on January 1 of each year shall automatically be extended for an additional two year period unless terminated pursuant to Section III below. The purpose of this paragraph is to ensure compliance with Government Code section 53260.

Nothing in this Letter of Understanding shall prevent, limit or otherwise interfere with the right of the City Attorney to resign at any time subject only to the provisions set forth in Section III below.

Employee agrees to remain in the exclusive employ of the City and neither to accept other employment or to become employed by any other employer without the express permission of the City Council; provided, nothing contained herein shall be construed or interpreted to prohibit Employee from engaging in such occasional activity such as teaching, writing or consulting which activity shall only be conducted apart from his normal and regular functions and duties.

SECTION III SEPARATION FROM EMPLOYMENT

In the event the City Council desires to terminate this Letter of Understanding during which time Employee is ready, willing and able to perform the functions and duties set forth herein, then, in that event, City Council agrees to pay Employee, in addition to any other amount that may be due at the time of termination of this Letter of Understanding, a lump sum cash payment equal to one month of pay at the rate in effect at the time of termination for each year of employment with the City up to a maximum of 12 months.

However, in the event Employee is separated from employment because of his conviction of any illegal act involving personal gain or moral turpitude, or is not

licensed to practice law in the State of California then, in that event, the City Council shall have no obligation to make the above specified payment.

In the event Employee desires to separate from employment, this Letter of Understanding during such time as the City Council desires Employee to continue in his capacity as City Attorney, then, in that event, Employee agrees to provide Council with 60 days written notice of said separation.

SECTION IV SALARY

The base compensation of the City Attorney shall be adjusted by the addition of two percent to the current bi-weekly compensation of \$4,099.40. This adjustment brings the bi-weekly compensation for the City Attorney to \$4,182 effective January 1, 1996. The City Attorney's compensation shall be further adjusted three percent annually effective January 1, 1997 and three percent annually effective January 1, 1998. The City Attorney shall also receive a one-time lump sum merit bonus equal to two percent of his annual salary in recognition of continued outstanding contributions to the City, upon execution of this Letter of Understanding. After January 1, 1998 compensation of the City Attorney may be adjusted from time to time during the term of this Letter of Understanding by resolution of the City Council.

SECTION V OTHER DUTIES

The City Attorney shall also serve as the General Counsel of the Carlsbad Municipal Water District and

General Counsel to the Housing & Redevelopment Commission and shall receive the sum of \$300 per month for each position effective January 1, 1996.

SECTION VI VEHICLE ALLOWANCE OR PROVISION OF VEHICLE

The City Attorney's functions and duties require him to have use of an automobile during his employment with the City. The City shall reimburse the City Attorney the monthly sum of \$325 for the expense of owning, operating and maintaining and insuring his personal automobile effective January 1, 1996.

In lieu of a vehicle allowance, the City Attorney may elect to allow the City to lease on behalf of Employee a standard size vehicle on general terms and conditions commercially available. In this case, the City shall be responsible for all lease payments, maintenance and operational costs except that Employee shall be responsible for maintenance costs when out of town on overnight or longer non-City purposes. Employee shall keep and maintain in full force and effect personal liability and property damage insurance in the minimum amounts of \$250,000 per person and \$500,000 per occurrence and property damage of \$100,000, and shall name the City of Carlsbad as additional insured.

SECTION VII OTHER SUPPLEMENTAL BENEFITS

The City Attorney shall accrue vacation leave and sick leave as provided for under existing City policy.

All other actions taken by the City Council relating to fringe benefits for management employees shall be considered actions granting the same to the City Attorney. As used herein, fringe benefits include but are not limited to vacation, sick leave, educational benefits, holidays, retirement (PERS), benefits and payments, health insurance, dental insurance, long-term disability insurance, life insurance, and the City Attorney's annual bar dues.

SECTION VIII ANNUAL REVIEW

The City Council shall review and evaluate the performance of the City Attorney in January of each year. This review and evaluation shall be in accordance with the criteria developed jointly by the City Council and the City Attorney. The Mayor shall provide the City Attorney with a summary written statement of the Findings of the City Council and provide an adequate opportunity for the City Attorney to discuss his evaluation with the City Council.

SECTION IX PROFESSIONAL DEVELOPMENT

All normal business expenses, such as attendance at the League of California Cities, the League of California Cities City Attorney Department meetings, IMLA, San Diego City Attorneys' Association meetings and conferences as well as business lunches, dinners, etc., will be provided for separately in the operating budget of the City Attorney's office. The City Council will continue to budget sufficient funds to maintain the City Attorney's office as a high-quality law office including sufficient funds to do state of

the art legal research and other practices and procedures necessary to provide top quality legal services to the City.

SECTION X NOTICES

Notices pursuant to this Letter of Understanding shall be given by deposit in the custody of the United States Postal Service, postage prepaid, addressed as follows or as such address may be changed from time to time upon written notice to the other:

CITY:

MAYOR
City of Carlsbad
City Hall
1200 Carlsbad Village Drive
Carlsbad, California 92008

CITY ATTORNEY:

RONALD R. BALL
3581 Celinda Drive
Carlsbad, California 92008

IN WITNESS WHEREOF, the City and the City Attorney have caused this Letter of Understanding to be executed on the day and year first written above.

DATED: November 21, 1996

CITY OF CARLSBAD,
a municipal corporation

By: _____


CLAUDE A. LEWIS, Mayor

DATED: November 21, 1996


RONALD R. BALL
City Attorney